

United States Finishes Conquest of Nicaragua

The last act in the brutal military seizure of Nicaragua by the United States was described early this week in a message from Henry L. Stimson, imperialist agent of the United States who was sent to Nicaragua by President Coolidge to deliver the ultimatum of the administration to the Liberal forces.

Mr. Stimson informed the department that Gen. Jose Moncada, the Liberal leader, has undertaken to persuade his troops to lay down their arms. He added that a truce has been declared and "the American forces have been drawn up between the two armies in order that they may receive the arms of both."

Surrender to Force
The surrender of the Liberals is described next day in a news dispatch. MANAGUA, Nicaragua—Gen. Jose Moncada, commander-in-chief of the Liberal forces, has issued a proclamation to the Liberal troops to disband and has urged them to turn over their arms to the United States marines in Nicaragua as soon as possible.

Gen. Moncada reached the Liberal lines this morning from the peace conference attended by Liberal representatives and Henry L. Stimson, personal representative of President Coolidge.

The advice said that the Liberal commander-in-chief told leaders that

it was best for the Liberal forces to lay down their arms in view of his understanding that the United States would use force if necessary, to restore peace.

It is understood that the announcement was received unfavorably by several leaders, but indications were that little, if any resistance, would be offered to the disarming process.

At the Point of U. S. Guns

This seizure of a small and weak country by the most powerful nation in the world constitutes one of the most brazen acts of imperialism in history in modern times, despite the long and disgraceful records of Great Britain, France, Italy and Czarist Russia. It was achieved by means of a military ultimatum delivered to the Liberals and backed by the strong military forces now distributed throughout Nicaragua. A dispatch from Nicaraguan Liberal sources one day after Stimson had announced the surrender of the Liberal forces states that President Coolidge considered the retention of Adolfo Diaz as a constitutional president of Nicaragua as a question of honor and prestige and was prepared to authorize the American marines to forcibly disarm the warring groups.

The Liberal delegates, in a statement given to the Associated Press, declared that Mr. Stimson informed them that if the Liberals should not accept the condition that President Diaz complete his term which ends in 1928, "the marine forces under Rear Admiral Latimer would proceed forcibly to disarm the Liberal troops."

"Peace Terms"

Under the terms of "surrender" every point for which the Coolidge administration has been contending was won. Not only does the illegal president remain in office, but THE AMERICAN MILITARY FORCES, IN CHANGING DISGUISE, REMAIN IN POSSESSION OF NICARAGUA. No amount of fair, but hypocritical language under which the conquest of Nicaragua is concealed can conceal these underlying facts, as the following "peace terms" show:

- "1. Complete disarmament on both sides.
- "2. An immediate general peace to permit planting for the new crop in June.
- "3. A general amnesty to all persons in rebellion or exile.
- "4. The return of all occupied or confiscated property to its owners.
- "5. Participation in the Diaz cabinet by representatives of the Liberals.
- "6. Organization of a Nicaraguan constabulary on a nonpartisan basis, commanded by American officers.
- "7. American supervision of the 1928 election.
- "8. The continuance temporarily in the country of a sufficient force of American marines to guarantee order pending the organization of the constabulary."

The peace program also provides that Gen. Diaz, the Conservative president, recognized by the United States, will stay in office until after the 1928 election.

Coolidge's New and Dangerous Doctrine

By Laurence Todd

WASHINGTON, D. C.—Out of the White House comes a new doctrine of international conduct.

This doctrine was stated in connection with the Stimson letter to Gen. Moncada, military commander of the Nicaraguan Liberals. It was the method by which we get peace in Nicaragua is not important; the thing that the public should keep its eye on is the fact that we get what we go after, which is pacification.

That is to say, Coolidge sent Stimson to Nicaragua to tell the Liberals that the United States government had decided to conquer them by gun-fire unless they surrendered immediately. The method did not matter to the Coolidge administration; the Latin American republics might protest if they dared, but probably they would not. The United States demanded instant surrender, regardless of international law and regardless of the American constitution, which entrusts the war-making power to Congress.

Militarism Behind Grab of Nicaragua

(Leland H. Jenks in The World Tomorrow)

For battleships and battle-cruisers of the prevailing type, the existing locks at Panama are far from adequate. Against a well-planned air

attack, the Canal locks, the power-plant and the drainage system upon which they depend are highly vulnerable. In addition to comparative freedom from those weaknesses as a strategic highway, the Nicaragua route provides a convenient lake in which to hide half a dozen battle-fleets, ready to emerge on an hour's notice. There are no harbor accommodations at the Panama isthmus for a fleet of any size. Only part of a fleet can pass the Canal at once. Whatever the advantages which we have derived from the Panama Canal, strategic safety, for which we built it, can not be regarded as one of them.

Nor is any canal of any strategic importance by itself. We have gradually learned, as England before us, that to control a canal one must dominate its approaches. We have discovered that we must not only have the Canal Zone; we must also command adjacent bases of operation. Should we build a canal through Nicaragua, we would no doubt discover the same. We would require, first, a zone; we would then take guarantees of sanitation and public order to protect the zone; and presently we would find ourselves installing, as our presence in Panama has led us, upon further precautions to enable us to safeguard the guarantee. "If you believe the military men, nothing is safe," remarked Lord Salisbury, with the expanding north-west frontier of India in mind. The United States, with her canal, has been brought to the verge of a similar policy of successive extensions of

authority and influence, each designed to protect the latest one acquired.

Briefly stated, our Caribbean policy amounts to this: We propose that our interests shall be regarded as predominant in countries north of the equator, not only as against European nations—which is the basis of the Monroe Doctrine—but also as against other American countries; indeed, as against the desires of the countries themselves. Our apology for this is simply that we are the largest power with possessions in the Caribbean area. And we have simply continued the imperialistic traditions of the nations which have preceded us in importance in that region. It matters not in this connection that we profess to use our predominance to promote the well-being of Caribbean peoples. Our policy has been adopted because it is our interest which will be served; we pursue it without regard to the desires of the people concerned, or their natural leaders. And this is imperialism.

Honest Imperialist Confession

(Editorial from Liberty, a magazine published by the Chicago Tribune)

"Again and again the United States has asserted its right to regulate Caribbean affairs. We have set up our own governments in the Caribbean area. We have set up our own armed forces here. We have landed to curb disorders and protect our interests. We have warned Europe, with fighting words, to keep hands off and have made our words respected. We have extended our possessions in this region—by peaceful means when possible; by force of arms when occasion required it.

"We tried repeatedly to buy Cuba, until 1898, when we drove the Spaniards out and took Cuba by force. We have given Cuba the partial independence of a protectorate, but she is on her good behavior, and knows it. We won Porto Rico by conquest in the Spanish-American War, and still hold it. We have repeatedly set the affairs of Colombia in order. We abetted the slings of the Republic of Panama off Colombia in 1903, and guaranteed its integrity, because we needed the Panama Canal. Colombia saw the futility of trying to balk Destiny.

"We landed armed forces in Haiti in 1915 and inaugurated a policy of armed intervention by a treaty that became effective on February 19, 1916. Since then Haiti has been under our thumb.

"And now Nicaragua. We intervened in Nicaraguan affairs as early as 1850, when Great Britain, through the Clayton-Bulwer treaty, ceded all rights to a protectorate over disputed territory along the Mosquito Coast. We intervened to restore order in Nicaragua in 1907. We landed 2,000 marines on Nicaraguan territory in 1914. In 1914 the marines landed at Bluefields. Now the marines are in Nicaragua again.

"The irrefutable logic of historical facts proves one thing: The Eagle's flight never narrows. He sweeps in an ever-widening circle."

Super-rich Financed Attack on American Civil Liberties

Norman Hapgood Bares Anti-Red Funds—Civic Federation Chief Offender

The Civic Federation, long posing as the "friend" of Labor and champion of the idea of cooperation between capital and labor, has been fully exposed in Norman Hapgood's new book, "Professional Patriots," just off the press, as one of the worst aggregations of big capitalists, high financiers and hard-boiled employers in America in its attacks on radicals and liberals, on American civil liberties and on organized labor. Hapgood shows that this two-faced organization, absolutely dominated by magnates, despite its hypocritical alliance through officials of the American Federation of Labor with organized labor, is a settled and consistent enemy of labor and has opposed to the limit such measures as the child labor laws, and yet, in spite of this, Samuel Gompers formerly remained vice president of this organization (Cont. on page 3)

Socialist Outlook Fine in Wisconsin, Declares Secretary

New Local Formed—Legislative Work of Party Influencing the Farmers

By William Coleman (Socialist State Secretary, Wis.)

A new local of the Socialist party has been organized at Stevens Point, Wis., with Comrade A. J. Sprague, a tireless worker, as secretary.

I might also state that the outlook for our movement in Wisconsin is much brighter than for some time past, although the organization work at this time is not being pushed to the extent that might be expected, due to many facts.

A number of our active comrades, including myself as state secretary, are tied up as members of the legislature and the necessity of aiding these members in the legislature, as you are probably aware the members of the Wisconsin legislature receive the enormous salary of \$500.00 for a two year term, keeps me busy every minute of the day, with a lot of night work included.

The Socialist members of the legislature are making themselves heard and are gaining the respect of our opponents in the legislature. This is mostly true of the farmer members. They are beginning to understand more and more the Socialist viewpoint.

To date the ten Socialists have introduced a total of 107 bills, all having for their purpose the uplift of the common and working people and the farmers of the state of Wisconsin. This does not include many resolutions propagating our Socialist ideas. Two of these resolutions, one

Labor Wins In All Australian States With One Exception

The following is from "International Information" bulletin of the Labor and Socialist International, Zurich, Switzerland:

(I. I.) The Parliamentary elections taking place in several of the States of Australia are now concluded and the results are to hand. In New South Wales, Queensland and Tasmania, in which Labor was already in power before the elections, it has maintained a majority without much change; in South Australia, also, Labor was in power, but was on this occasion defeated by a small majority and is now in Opposition.

In the State of West Australia, Labor has by a narrow majority, gained a victory, the figures being: Labor (Government) 27; Opposition 23. In Victoria, the general election took place for the first time under the system of compulsory vote. According to the final results received the Labor Party emerges from this election as the dominant Party, but without an absolute majority. The figures are: Labor Party 28 seats, Nationalists 10, Country Party 10, Country Progressive Party 4, Liberals 1, Independents 3. In the old Parliament the Coalition Ministry had 37 nominal supporters out of a total of 65, and there was a pact between the Nationalists and the Country Party, which however ended with the dissolution.

Fascist Italy in Grip of Ruinous Industrial Crisis

State-Controlled Capitalism Not Working Well As Plan to Save the World

ROME — Mussolini's boasted solution of the ills of the present industrial system is proving to be a boomerang. The new Fascist state, which failed to eliminate the contradictions, antagonisms and inequalities of capitalism while throwing everything under control of the state, faces an acute industrial crisis as it starts

From The Pen Of Debs

(Compiled by Theodore Debs)

Crumbling Capitalism

The highest point in the development of capitalism has about been reached and symptoms of decline, the forerunner of collapse, are now beginning to show.

The daily happenings all about us foreshadow the impending organic change in society.

The average capitalist daily is almost exclusively a chronicler of crime. The fully developed capitalist metropolis is a seething mad-house.

The man who can calmly survey the situation in capitalistic society and see it all as a part of a great scheme of things, is himself a victim of its debasing influence, and upon examination will be found to have a heart turned to adamant, a condition peculiar to those who write and preach about the wonderful prosperity of the country.

The numerous and increasing ills with which the body social is afflicted are all traceable to the capitalist system, in which the dollar is the ruling deity, and man, especially the workingmen, is made a mere subject victim.

Strange, indeed, to a reasoning being, that the easier it becomes to produce wealth the more uncertain is the portion and the more precarious the condition of those who produce it.

Socialism, and socialism alone, can place this and the many other contradictions in capitalist society. The abolition of the capitalist system and the wage-slavery upon which it is based will put an end to the misery of the millions and nothing else can do it.

The Socialist movement has this end for its supreme aim, and keeping pace with the economic developments, is increasing and will continue to increase in power until the fateful hour strikes and the working class triumphant rears the superstructure of the Socialist Republic upon the foundations laid for it in the capitalist system.

The millions of workers, wage-slaves, male and female, the immediate victims of the capitalist system, its breathing, suffering and pauperizing merchandise, must be aroused to consciousness of their class interests and their class power, industrial and political, and great as the task is, it must be accomplished, and mainly by the working class itself.

Little help will come from without. All hope and all of the latent powers to realize it lie within.

of all in building up the movement and this should be pressed to the limit by every socialist and every class conscious worker in the land. In factory, mill and in quarry, mine and railway yard, in depot, store and market place; in short, everywhere, night and day each worker should do his best to sow the seed and spread the light, and if all, or even half of all, will make up their

Socialism Offers

To all the people a voice and vote in industry.
To all workers the full product of their toil.

labor cost.

To industrial labor guarantee against unemployment and want.

To the farmer free use of the soil; full product of his labor; industrial goods at their labor cost.

To the intellectual producer emancipation from prostitution to private interests.

Appeal Starts Drive For Pledged And Enrolled Propaganda Army

This week the American Appeal takes the second step in the big drive toward self-supporting and effective circulation.

THAT STEP IS THE ENROLLMENT AND ORGANIZATION OF A PROPAGANDA FORCE COVERING THE NATION TO KEEP THE APPEAL ALIVE AND GROWING AND BRIDGE OVER THE PRESENT CRITICAL PERIOD OF SOCIALISM IN AMERICA.

Such a step has become absolutely necessary. In America alone among all the civilized countries Socialism as a thought movement is on the extreme defensive, and faces a supreme struggle to establish itself. America has become the center, citadel and fortress of international capitalism. Capitalism has developed its most adroit methods and has attained its greatest grip on the minds of the workers in America. THE BURNING OF THE MENTAL CHAINS THAT BIND THE PEOPLE OF AMERICA HAS BECOME THE SUPREME TASK CONNECTED WITH THE LIBERATION OF THE HUMAN RACE.

We American workers cannot shirk this great task which we alone must perform. We must now prepare for it. We must strip for action. WE MUST FIND THE MOST EFFECTIVE MEANS FOR DRIVING THE FIRST WEDGE INTO AMERICAN CAPITALISM.

Experience has shown us what that wedge is. IT IS A WIDELY CIRCULATING SOCIALIST PRESS. Nothing else will do the work immediately before us. The Socialist propaganda paper is our one bet. It is this because it is the only instrument within our present reach that can maintain an enduring contact between the vital and educative forces of Socialism and thousands of individuals throughout the nation. Furthermore, it is the best instrument in the hands of propagandists because it is the easiest instrument by which they may reach others with the message of Socialism. With the expenditure of a very little time the propagandist can start a candidate for education on a year's course in Socialism. EVEN THE WORKERS WHO DARE NOT OPENLY PROCLAIM THEIR SOCIALISM, CAN BY THE EXPENDITURE OF A VERY SMALL SUM START A CANDIDATE ON THE CERTAIN ROAD TO SOCIALISM.

One hundred thousand circulation for the American Appeal WOULD WITHOUT ANY DOUBT TRANSFORM THE SOCIALIST MOVEMENT OF AMERICA INTO A NATION-WIDE, INFLUENTIAL AND EFFECTIVE FIGHTING FORCE. A million circulation would PUT AMERICAN CAPITALISM ON THE DEFENSIVE AND MAKE SOCIALISM THE MAIN ISSUE IN THE UNITED STATES AS IT NOW IS IN THE OTHER LEADING COUNTRIES OF THE WORLD.

These are goals we must attain soon, if American Socialists are to do their part in this supreme world struggle for emancipation.

We cannot attain them unless we ORGANIZE our propaganda forces around our most effective instrument — the American Appeal.

By ORGANIZING our forces, we mean actually building up an enrolled Army membership, each member pledged to do a certain amount of work each month.

EACH MEMBER OF THE ENROLLED ARMY OF THE APPEAL WILL BE REQUIRED TO GET AT LEAST ONE SUBSCRIPTION PER MONTH TO MAINTAIN MEMBERSHIP.

This sub a month will constitute the dues of the ENROLLED APPEAL ARMY. A member may solicit this sub and have the subscriber pay for it, or he may pay for it himself, or he may buy subscription cards and sell them to subscribers, or he may buy bundles totaling the price of a sub, or he may send the price of a sub to the Appeal and have the Appeal send the paper to someone selected by this office.

THE WHOLE IDEA IS TO PUT THE APPEAL ON A BASIS OF COOPERATIVE SERVICE, RATHER THAN ON A BASIS OF GIFTS OR DONATIONS.

All in the world the Appeal needs to live and grow is sub—circulation. All in the world the Socialist movement needs to live and grow is cooperative propaganda service. If one thousand Socialists throughout the United States will take the pledge to get at least one sub a month or its equivalent, this, with the voluntary additional subs that would come in would support the Appeal at its present circulation.

ANYTHING ABOVE THIS WILL MEAN GROWTH. The Appeal starts today to get this thousand enrolled and pledged members of the APPEAL ARMY and as many more as possible. THIS CAMPAIGN WILL CONTINUE UNTIL AT LEAST THIS THOUSAND HAVE JOINED. YOU CAN SHORTEN THIS CAMPAIGN BY GETTING IN QUICKLY AND ALLOWING THE APPEAL AND THE PARTY TO MOVE FORWARD TO BIGGER THINGS.

ARE THERE ONE THOUSAND SOCIALISTS IN THE UNITED STATES WHO THINK ENOUGH OF THEIR MOVEMENT AND THEIR PAPER TO TAKE THE SUB-A-MONTH PLEDGE?

Write in at once and take the pledge that you will get at least one sub each month for the Appeal, or its equivalent, and we will enroll you.

Who will be first? Who will be in the honor roll of those who joined the first week? Sign the Pledge Blank below.

Sub-A-Month Membership Pledge Organized Army of the American Appeal

American Appeal, 2653 Washington Blvd., Chicago:
I hereby agree to obtain for the American Appeal in the future at least one subscription per month, or its equivalent.

Name Address

NEWS AND VIEWS

Is Great Britain
Turning Fascist?

The Tory anti-labor bill has precipitated a struggle of such magnitude and virulence that one is led to wonder if Great Britain is not now entering a Fascist-Socialist struggle bound to end in a decidedly forward or backward change of the system.

Among the first to proclaim the Fascist nature of the bill are the Italian Fascist papers. The following is from the "Messaggero," one of Mussolini's organs:

"Once more it is Fascist Italy who teaches; she has found abroad an approval which goes so far as to provide an imitation, even improving on the Italian example, for its own provision of the British Bill seems much more severe than the Italian."

The London Herald, Socialist and labor daily, says of this bill that it will stop all sympathetic strikes and prevent any real solidarity of labor in the future. It makes illegal all strikes that do not arise from industrial disputes and clothes the capitalist courts with the power to determine whether or not a strike is legal, so that in the last analysis any strike may be illegal. In case a strike is declared illegal the employer may institute a damage suit and collect full damages against the union, a course that would bankrupt any union and put it out of existence. Finally, in order to disable labor's arm, the Labor Party, the bill attempts to prevent the collection by the Party of sums voted by the unions to sustain the Party.

The Appeal has repeatedly said that capitalism casts democracy overboard and turns to Fascism or some other form of militaristic control when the voters break away from its mental grip and begin to change the system. England has undoubtedly reached that stage. Six or eight months ago Winston Churchill, visiting Mussolini, gave his public endorsement to the Fascist system as the official representative of the British Tory government. For the past year England and Italy have been two of the closest allies in the world. Every move of Italian im-

perialism in Africa is backed by England and every move of British imperialism in China is backed by Mussolini. British capitalism and the British aristocracy feel themselves seriously endangered by the rapid rise of the labor movement and are rapidly drifting toward the extreme measures of state and military control that characterize Fascism.

But this move is not without its compensation. The Tories are confronted by an intelligent, powerful and thoroughly aroused British labor movement. The anti-labor bill has been called the "cement bill" because it has cemented together all factions of the workers. The cooperative movement embracing 4,000,000 members has cast its lot with the labor and Socialist movement in this fight. The biggest, the most thorough, the most intensive, campaign for the education and organization of the workers in the history of Great Britain has been launched. Three thousand meetings have been planned. There is every prospect that this campaign will unite the workers of all Great Britain who represent a large majority of the people. There is every prospect that as a result of this desperate move of the Tories to save the capitalist system, the Socialists will carry England in the next election and will assume power, unless they are prevented by extreme military measures.

Protecting
Investments Abroad

(Editorial, Labor, Washington, D.C.) Two recent utterances of prominent men need to be taken together to get their full meaning. The first is a statement made by President Coolidge in his address to the Congress. Speaking of the foreign policies of the United States, he said:

"The person and property of a citizen are a part of the general domain of the nation, even when abroad."

This is a most remarkable utterance. That the nation is interested in the welfare of its citizens abroad is taken for granted. But "domain" means something over which we have dominion, something

which we rule; and it must be assumed that President Coolidge used the word which meant what he wanted to say. If he did, then every foreign investment is a piece of transplanted sovereignty, which the nation may be called on at any moment to protect, even at the cost of war.

The matter is made more serious by conditions summed up by Frank A. Vanderlip in an interview a short time ago. Mr. Vanderlip says that Americans have loaned and invested abroad thirteen billion dollars—30 per cent more than all the sums advanced to our allies during the war. Nearly all this vast sum has been sent abroad since the armistice.

Mr. Vanderlip thinks our financiers are sending money abroad at a reckless rate, and the probabilities are that he is right. There has not been time since the war to gather knowledge and develop organizations which would safeguard the distant investments of such gigantic amounts. It may be pointed out, too, that the French people before the war loaned some \$4,000,000,000 to Russia and Russian industries, from which not a pennyable is coming back to France.

But much more important than the chance of financial loss is the menace to peace if President Coolidge's doctrine of "domain" is to be applied to the prodigious quantities of money now loaned to or invested in foreign lands.

Mr. Vanderlip points out that already we have taken over the administration of Haiti and Nicaragua to safeguard our investments in those countries. If the doctrine of domain is to be carried out, we may have to do the same with Mexico and Argentina. Any speculation can move our warship and marines wherever he chooses, merely by sending his own investments abroad.

This is dollar diplomacy with a vengeance. Rather, it is dollar diplomacy with the diplomacy left out. If this is to be the policy of our government—and it is a very serious question—then the fewer foreign investments we make, the better.

Montana Crooks Caught in Own
Trap to Eliminate Socialists

By James D. Graham
(Montana Member, National Executive Committee, Socialist Party)

A bill was introduced in the recent legislature, having for its purpose the keeping of the Socialists off the ballot in this state, and it was generally known at the State Capitol that House Bill No. 24 was aimed at the Socialist Party.

The bill was to the effect that if the vote of any Party fell below three percent of the total vote cast for Governor in any county, city or State, that the Party was not permitted to go on the ballot unless by a separate petition for each candidate signed by five percent of the qualified voters. This accounts for our vote not being counted at the last election.

A survey shows that over seventeen hundred Socialist votes were not counted in the State, exclusive of the other counties. This leads us to believe that the big interests gave their henchmen instructions to see to it that the Socialist vote was kept below three percent of the total vote cast in 1934, in order to create sentiment favorable for the passage of House Bill No. 24.

The decision given October, 1932, by the Supreme Court of Montana in favor of the Socialist Party going on the ballot raised the question as to the constitutionality of the proposed law. While the bill was in the committee, this decision was quoted, and remarks made that if a law was passed to keep the Socialists off the ballot, that we would attack the measure in court. Thanks to the Supreme Court decision, the teeth were pulled from House Bill No. 24 before its final passage.

The new law prevents us from going on the primary election ballot, but allows us to nominate our candidates by convention and therefore saves us all expense of filing fees for our candidates. The legislators did us a great service by passing House Bill No. 24, far greater than they realize. All old party candidates must pay a filing fee to get on the ballot, but the Socialists are exempt.

As far as the next election is concerned, the old party legislators slipped one over on themselves, and they do not know it yet.

We must now organize and build up the Party for the campaign next year. The American Appeal circulates in nearly every county in the State, but its circulation is not large enough to produce results. We should have a thousand more subscribers should be added to the American Appeal circulation in Montana this year in order that the Socialists may make good at the next election. Try to get your neighbors, church or workmate to subscribe. Let us work for Socialism in our time. Build up the Party and prepare for the next election.

An effort is being made to create a fund to be used solely for organizing purposes and we are herewith asking Socialist party members and Socialist sympathizers to contribute to this fund by making regular monthly donations, or a contribution outright of any amount they care to give.

of the 21 societies studied, to be merely a blind for the open-shop propaganda of the big coal and steel interests of southern West Virginia. Gary's letter, telling of a \$5000 gift from U. S. Steel to the Federation, and the contributions from 14 other concerns including Rockefeller's open-shop Consolidation Coal Co. are noted.

The Better America Federation is another patriotic band that is a smoke screen for the public utility and manufacturing interests of southern California, who man its board of directors and fill its treasury. Its chief enterprise has been jailing members of the I. W. W.

Judge Panken to Be
Recipient of Honor

Judge Jacob Panken, Socialist municipal judge, New York City, will be honored by a banquet and reception by the Socialist Party and Trade Union reception committee of New York at Beethoven Hall, 210 East 5th Street, May 20, 7 P. M., in honor of his ten years on the bench and his long service in the Labor and Socialist movement. Representatives of several hundred Trade Unions, Workmen's Circles and Socialist Party branches have united to make the affair a great success.

It is a bold stroke of irony for the capitalists to praise as "a good worker" a man who works like a slave, who is a slave to keep his wife and children in poverty.

Super-Rich Financed
Attack on Liberties

(Continued from Page 1)
and Matthew Wolf of the Executive Board of the American Federation of Labor remains president.

Norman Hapgood has long been prominent as a liberal and magazine and newspaper editor and writer. He is not a Socialist or radical, but has always fought for justice and fair play, the rights of the under-dog and the preservation of American civil liberties.

21 Patriotic Societies
Professional Patriots, edited by Norman Hapgood, lifts the veil from the professional patriotic societies of America. It lets us see them in the arms of their backers—the big open-shop employers. The American Defense Society, the National Security League, the National Civic Federation and 18 others are carefully looked over.

Hapgood tells who financed the professional flagwavers when they were putting the country into the war, and also who has been paying the bills since, in their drives against the Reds.

The book might be called the Economic Background of Red-Baiting. It shows the patriotic claims of the American Constitutional Assn., one

of the 21 societies studied, to be merely a blind for the open-shop propaganda of the big coal and steel interests of southern West Virginia. Gary's letter, telling of a \$5000 gift from U. S. Steel to the Federation, and the contributions from 14 other concerns including Rockefeller's open-shop Consolidation Coal Co. are noted.

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But the National Civic Federation, the American Defense Society and the National Security League are the Big Three that receive most attention. All are financed by big capitalists.

Starting in 1914 and 1915 as pro-war movements the American Defense Society and the National Security League continued as pro-union red-baiters after 1918. The Defense Society is the creature of Elton H. Hooker, president of a war munitions firm. The Security League was shown in a congressional investigation to be supported by Standard Oil, DuPont, Guggenheim, Morgan, Rockefeller and other anti-labor interests.

Civic Federation Record
The Civic Federation began in 1901 as a get-together movement for capital and labor, and took on its patriotic character in wartime. A few labor men, headed by Matthew Woll, its acting president, are on the executive, but they are swamped by the great majority of millionaire employers who determine its policies. No official report of its funds are made but one member of the executive says that Gary is one of its financial angels.

Regarding the Civic Federation, Hapgood says, among other things: "The National Civic Federation, though it carries a few labor officials on its letterhead and swears allegiance to the American Federation of Labor, is clearly a big business organization and has been so since Ralph Easley, its chairman, learned which side could write cashable checks. The organization is supported wholly by

the contributions of the more than well-to-do. No labor organization ever voted it a nickel. Many like the United Mine Workers and the International Ladies Garment Workers have openly condemned it and forbidden their members to join it. This, however, did not affect Mr. Samuel Gompers, former president of the American Federation of Labor, who was for a time president of the Civic Federation and one of its most active public supporters. Nor does it affect the activities of Mr. Matthew Woll, who is now Mr. Easley's 'acting president.'"

An Open Shop Aggregation
"Glance at the Who's Who of the National Civic Federation and you will find from the day of August Belmont, the former president, down to the names of a goodly assortment of 'hard-boiled' employers. Belmont, himself, it will be remembered, testified before the Industrial Relations Commission that the majority of the companies he represented opposed the right to organize and maintained spy systems."

The list of present executive committee members, both from the employer and the public group, includes directors of dozens of open shop concerns that have made no effort to cultivate the collective bargaining system. The American Federation of Labor which Mr. Easley professes to approve. Indeed, many of them are ruthless anti-labor concerns, permitting no union organizations in their plants and employing spies and stool pigeons to rout any attempt at unionization. Nicholas F. Brady, president of the New York Edison Company, Elton H. Hooker, president of the Hooker Electro-Chemical Company, Ogden L. Mills of the New York Trust Company, and T. Coleman Du Pont of the DuPont powder company are among those who hold large interests in the open shop policies of corporations whose treatment of organized labor has been anything but conciliatory."

For Child Labor
The book accused the Civic Federation of turning in a "whitewash report" on child labor in southern mills following an "investigation" by a committee including the presidents of the Southern cotton mill owners and the president of the South Carolina Cotton Manufacturers' Association. Labor was not represented. Mr. Easley is charged with anti-labor activities, including spying on the Inter-Church investigators of the 1912 steel strike and admitting sending certain espionage documents to Judge Gary, says the book, "explaining later, of course, that he did it as an individual and not as the secretary of the Civic Federation. The Federation has shown similar affection for the Standard Oil Company and its industrial relations, notoriously anti-union."

During his lifetime, the presence of Samuel Gompers on the Federation Committee identified the American Federation of Labor with it in the public mind. The book, however, pointed out that Gompers was bitterly opposed to this alliance with employers. Several union members of the Federation committee resigned because "they were unable to stomach Mr. Easley's attacks on progressive measures and Congressmen and on the British Labor movement, according to the book."

Making a Coat of Labor
"Mr. Easley claims that his Federation committee give 'equal representation' to capital and labor," the author continues, yet an analysis reveals the line-up as follows: 22 men of obviously anti-labor convictions; five persons who depend for their livelihood on the 22 and 13 who may be called labor men, making the proportion about three to one against labor. And the results are even more disillusioning if we take any one of the special committees of the federation. For example, one appointed in 1922 to consider increasing the Army Navy, gave 25 from business and professional organizations, 16 from military organizations, 16 from miscellaneous bodies, and only two representing labor."

Easley raised funds to help William J. Burns finance work in connection with the prosecution of communists in Michigan, and worked hand in hand with the secret service in its attacks on Reds, the book states. Easley is said to have taken credit for Burns' appointment. At the same time, he was helping Samuel Gompers fight Reds in the labor unions, it is asserted.

Fights Public Ownership
The Civic Federation is also charged with maintaining a committee for "limiting free speech." Easley is said to have taken as his chief adviser on Russia the czarist agent Boris Brasol, head of the old Russian Black Hundred and refuge from the revolution. Brasol has been agitator in the United States for the Grand Duke Cyril as Russian Czar.

Propaganda sent out by these organizations, the authors assert, includes everything from municipal owned water works to child labor laws as "Bolshevistic." Much of this literature is so false and distorted as to facts that it has resulted in numerous libel suits and successful demands for retraction, the book declares.

Fascist Italy In
Grip of Crisis
(Continued from Page 1)

work to make the present system work.
General production is decreasing rapidly. Bankers express fears that the business depression is just beginning and that before it is over there will be many business failures.

It is pointed out that while the average number of business failures in 1936 was 689, in 1937 it was 1,245. In the first three months of 1937 the number had increased to more than thirty-five a day. In the thirteen business days from April 19 to May 4, inclusive, there were 689 failures, either voluntary or involuntary. In Italy, according to I. Sola, director of the Milan chamber of commerce,

It is pointed out, however, that the full effects of the depression are not yet being felt. However, it is significant that several large banking

APPEAL'S FEATURE DEPARTMENT

Harry W. Laidler, Editor

Post War Socialist Thought

The Psychological
Trend to SocialismIn Six Articles
Article IV

With the development of social psychology, an increasing number of socialists and social reformers have given attention to the psychological factors at work in society, and particularly among the workers, leading to a more democratic industrial society. The result has been the publication of such works as Graham Waller's Human Nature and Politics and The Great Society, John A. Hobson's Incentives and the New Industrial Order, Walter Lippmann's Preface to Politics, Drift and Mastery and Public Opinion, Seba Eldridge's Political Action, Gridway Teal's Industry in Industry, John Dewey's Human Nature and Conduct, Pitirim Sorokin's Sociology of Revolution, and finally, Henri DeMan's Psychology of Socialism.

DeMan on Marxian Theories

DeMan is rather definitely on the revisionist side of the Marxian controversy. Discussing the increasing importance of the social factor in the important question is not whether misery constantly increases among the workers, but whether such increasing misery is a necessary forerunner of a revolution. If socialists really believed that this were the case, they would devote their attention to the preaching of class consciousness, and wait until the proletarian mass, sinking ever deeper in misery and conscious of their wrongs, revolted and established a new order. However, labor does not such thing. It organizes trade unions, establishes cooperative works for social legislation, and with a good deal of success. If labor, furthermore, held to the old Marxian concept of a capitalist state, it would have nothing to do with this machinery. But it does not adopt this policy, as is indicated by its daily political struggles within the capitalist class.

Simplicity of Marxian Prophecies

DeMan further analyzes the Marxian theory of surplus value; the belief in the mechanization of the workers as a result of mass production; and the Marxian concepts of the inevitability of socialism and of the class struggle and of class solidarity. One of the circumstances that cause Marx's popularity, he declares, was the very simplicity of his theory. Marx dramatized the class struggle. He portrayed the evil present, the growing chasm between rich and poor, the crisis, the inevitable conflict between workers and capitalists, the revolutionary overthrow of the capitalists and the coming in of the workers' society. Following the Hegelian dialectic, Marx pictured progress in general as a result of increasing tension between two bodies, the head-on collision, the destruction of the old and the supremacy of the other. This progression had a powerful dramatic appeal.

But economic progress does not come that way. Political revolutions may, overnight, change entire systems. But change in society comes out of the development of all the existing methods of production. There can be no sharp cut, therefore, on the economic side between capitalism and socialism. One can think back over several centuries and, in retrospect, see the slow change from feudalism to capitalism, but the point is no specific year when the change from one system to the next occurs.

Social Inferiority Complex

Dealing with the class struggle, DeMan declares that the early history of the labor movement indicates that

and industrial institutions have been saved only by the direct intervention and assistance by the government. One large bank, which must rely on the government for its survival, has failed appeared certain through Premier Mussolini's orders to Milan's most capable banker to take over its management and to provide sufficient credits to tide it over. Two large automotive undertakings likewise were saved from failure by government intervention, chiefly in the form of government orders for airplane motors and other necessary military supplies.

The heavy industries in the textile trade, with the exception of the artificial silk business, are in a precarious condition. While the official unemployment figures do not show a great increase, there is more part time employment than before. The large textile firms are operating three or four days a week rather than lay off workers entirely. Representatives of the American cotton firms, finding practically no market for bale cotton.

In the automotive industry there has been a considerable overproduction. The question of balancing Italy's budget has naturally been discussed by the lira, is an important one. The gold value of Italy's international debt has been increased from \$3,500,000,000 to more than \$5,600,000,000. Bankers point out that this probably is the most serious aspect of the entire problem.

Premier Mussolini's financial task for the future appears to be the most serious problem he has had to face since his advent to power. It might be called a real test for Fascism.

the first fights of labor were of a defensive character. They were fought with the idea of bringing back to the poor the independence which the workers enjoyed before the introduction of machinery. It was less a loss of income, than a loss of independence which led to the fight. What spurs the workers on to participation in the class struggle today is not the simple emotional process of recognition of the difference of economic interests but a much more complicated emotional feeling which may be summed up as a social inferiority complex.

Psychology and the Class
Struggle

Among the psychological factors at work in the struggle is the general belief that, fundamentally, rights should be equal, that being the basis of the proletarian or "wage-slave," even though his economic position puts him into that class. He regards the admission that he no longer expects to rise out of his class as a damning admission of his own inability. At the very least he holds tight to the faith that his children will have the opportunity of unlimited advancement. Consequently he values one position in society as highly as another. He places an honest wage-earning producer on an equal plane with an independent business man or a wealthy capitalist, and at times on a higher plane. Both the American worker and the European worker on the rich who live on their income upon a social inferiority. The American sees the prestige of a rich man less in his possessions than in some virtue of industry which he may have exemplified. The worker hunts for social superiority elsewhere than among the rich. He is particularly proud of a type like Abraham Lincoln because Lincoln rose from the ranks of labor.

The social-political push to equality is greater in America than elsewhere, but it needs more spiritual food than it now secures.

Class and Social Solidarity
Discussing the doctrine of class solidarity, DeMan declared that solidarity is not a new motive, but only from his point of view, being a special form of the old social or altruistic instinct. Marx is wrong in assuming that class solidarity means a simple class relationship and that it can only be transformed into a social ethic when a new class mastery has formed a new method of production. If this were really so, the system adopted would be syndicalism, not socialism. Marx's conception is a too mechanistic and rational conception of the economic man, and is inadequate, as class interests alone do not develop into ethical motives. The fact that workers who become foremen are more despotic than the men often are worse despite the inadequacy of this solidarity theory.

Social Inferiority Complex Be-
comes Spiritual Gain

There is a time, continues the author, when the social inferiority complex of the labor customer changes from a spiritual loss to a spiritual gain, in that it takes a positive conception of "When there is suffering there is hope, and where there is hope, there is faith," is a common psychological truth. Unpleasant emotional situations bring with them the sublimating concept of a spiritual gain of affairs. Out of the ethical indignation against the social inferiority of increasing social inferiority grows the new feeling of longing for a better future relationship and what one longs for, one believes in. The strength of this feeling increases in proportion as one becomes conscious of the suffering of the day. However, there must be as a preliminary condition to the reality of this faith a feeling of solidarity grounded at least in the consciousness of a class.

Goals Versus Motives

In conclusion DeMan declares that his sympathies are with the practical reformers in the socialist movement rather than with the revolutionists. He is a socialist not because he believes in the superiority of the future ideal of socialism to all other ideas, but because he believes that the socialist motives make better and happier men. For socialism raises their motives for activity and gives them super-personal purposes. It makes them powerful and it drives them on to dissatisfaction. Its worth to humanity does not depend on its logical system of thought but on the moral content of the motives that seek expression in it.

Goals are only imaginary points of a future horizon toward which we project our wills. They are not into reality when they create motives to will action. The distance between the present situation and the desired goal should not be too great, if one is not to waste one's power. One secures greatest satisfaction when working for the goal of the future. DeMan declares that all the ideas of a Marxist but that the more he separated himself from Marxism, the nearer he felt to the essence of Socialism, as it expressed itself in the eternal push toward a moral social order.

The Need for Faith
DeMan criticizes the use of force in social progress and declares that the drawing power of socialism diminishes as socialists try to drive too shrewd bargains as politicians. Post-war socialism, he contended, is suffering from the disillusionment of the worker, due to the fact that the socialists in many countries played too much politics during the war. This disillusionment is, in other words, a sign of unsatisfied needs for faith. The opportunists will discover that they were throwing away their drum when they left the need of the masses for faith unconsidered. The author, in conclusion, declares his belief that the working class will abandon the prevalent materialistic symbolism and return to the religion that socialism had in its beginning.

—H. W. Laidler

Although he ceases to believe in Santa Claus and Mother Goose, the worker still believes that he is a free man.

The foreign interests in China do not so much fear a Bolshevik China as they fear a really Chinese China.

Worker Lacks
Inferiority Complex

For instance, the American workers are today not less exploited economically than are their European comrades. The old opportunities existing in the early part of the century to rise from the working class, and become independent business men and entrepreneurs, do not at present

The Truth About the Real Russia of Today

War Communism and Revolution Gone, Dictatorship Passing, Socialization and Prosperity Winning

Editor's Note

Pierrepoint B. Noyes, President of the Oneida Community, and former member of the International Rhineland Commission, made a trip to Russia last summer. He saw things somewhat differently than the news about Russia had led him to suspect. He did not find communism in Russia. He did find a stable government, which was more and more trying to adapt itself to actual conditions forgetting the old bolshevik slogans and slowly moving forward. As a result of his observation, he felt distinctly that America should recognize Russia and permit Russia to work out its own salvation—a position which American socialists have held ever since the Russian revolution. As a contribution from one of the more liberal groups of American business men, the article is worthy of careful reading.

—H. W. L.

Pierrepoint B. Noyes

(President of Oneida Community)

If you were to visit Russia today you would, I am sure, be immensely surprised at what you found there. The picture of that country current in the United States is at least five years old. The trouble is that our information has come from two interested sources—on the one hand from the department of Soviet propaganda, and on the other from those colonies of aristocratic refugees who are congregated in every European city and who peddle out false information of the opposite kind. These latter have the best of it since most of us believe their reports with the result that, for the average American, bolshevik Russia is still the horrible Russia of the revolutionary period, 1917 to 1921. It is portrayed as a

country with a weak tottering government such as the refugees wish it had.

No Communism in Russia

I will list the surprises as they came to me.

(1) There is no communism in Russia. There has been none since the revolutionary years, and communism is not among the plans of the Soviet leaders at least for another generation. The "nationalization" of industrial equipment has been accomplished to the largest extent possible (about 90 percent) but this is a long way from Marxian communism. Every man and woman in Russia gets gruel money wages for work and pays money for everything received. I visited and studied the payroll of a rubber factory which turns out thirty thousand pairs of galoshes per day. I found there 90 percent piece-work.

Again, long lines of men and women stand in the streets awaiting their turns to buy in the cooperative stores where food, clothing, etc., is much cheaper than in the stores owned by private capital.

No Coup d'Etat in Sight

(2) Refugees who are waiting hopefully in Paris or Amsterdam for a coup d'etat or counter-revolution to upset the present government and pave the way for their return are, I fear, doomed to disappointment. As a business proposition, I believe that the present government of Russia is more stable than half the governments of Europe. I believe that it is supported by a larger proportion of the population than most governments. Personally I would, with confidence, invest money in a business enterprise in that country.

People Hard at Work

(3) Instead of a people devoting

their energies to theory and propaganda, to revolution and counter-revolution, to disorder and cruel repression, I found a people most amazingly devoted to work and education.

The leaders are absorbed in organizing an industrial regime and working their way through to such economic status as will bring prosperity to all; and the people themselves are working, working with much the same hopeful enthusiasm as the French people showed when after the French revolution they fought all the rest of the world.

Eagerness for Education

The Russian people are excited over education. Twenty-five per cent of the national budget is spent on education. Madame Kameney told me that, whereas before the war there was 90 percent illiteracy in Russia, their figures indicated that this illiteracy would be completely liquidated (as she expressed it) by 1933. I visited many schools and colleges and institutions for training teachers. Everywhere an earnest search for the latest ideas in education was apparent. I talked with teachers who had spent the last three or four years visiting other countries, seeking the best school system, and I talked with a librarian who for five years had studied the American libraries, especially the Congressional Library, and was then at work installing our latest system, in a library of eight hundred thousand volumes. All Russia is going to school as fast as equipment can be provided.

Formulas Revolutionized

Soviet Russia is revolutionary in this respect—its structure is based on a radical formula which seems to me a very natural, if violent, swing of the pendulum from the equally

abnormal formula of the Czarist regime. Before the revolution all prosperity and happiness was the property of Russia's rulers and hereditary capitalists, for the workers only misery and starvation. The bolsheviks have simply turned this formula bottom up. They are trying to give everything to the workers and to outlaw non-workers. Politically, the result of this theory has been to create an autocracy which derives its power from a well-organized, well-disciplined "communist" party of about a million members scattered throughout European and Asiatic Russia and distributed in every factory and institution. This group is now very exclusive. Many would like to join but few members are admitted. The communist party, the Externals of ancient Rome, represent the governing power, but there are drawbacks to membership. A "communist" cannot receive in salary more than 225 rubles per month. In the "Dynamo" factory (the old Westinghouse plant), workmen get up to 180 rubles, foremen 250 rubles, and engineers 500 rubles, but the superintendent, being a communist, gets only 225 rubles.

Dictatorship Waning

Industrially and commercially the "dictatorship of the proletariat" is, in my observation, slowly but surely giving way before a tragic belief which is determined to get the "national economic" sound and prosperous. In fact I think that the "redness" of the present rulers, with Stalin at their head, is fading out to a light pink which would shock and even shock that minority which still is fanatically attached to the revolutionary Shibleulets of 1917 to 1919.

The permanent nationalization of industry to the end that "all the

product of labor shall go to the worker with no deduction for capitalist profits" is still a real hope, but proletarian management has been demonstrated until, with all their "shop committees" and labor regulations, the factories (and I visited many) are run very much like our own. Furthermore the government is willing to make many concessions to private enterprise and management as a temporary (they say) step on the road to their final goal.

Commercial Concessions

I had many talks with an American who is manufacturing all the pencils for Russia under a governmental "concession." His contract permits him to make at least 15 percent profit on capital and enough more to pay for his investment in 27 years. At the end of that period the plant reverts to the government. There is, however, in his contract a provision that, if at the end of 27 years, it can be shown that he has not made the stipulated amount of profit, an extension of time will be granted.

Conception of Russia Out of Date

The Russian revolution was bloody and brutal. The "nationalization" of industry was accomplished by wholesale confiscations which naturally shocked our western nerves. Bolshevism attempts to foment revolution in other countries, urged on as it was in the early years by a tragic belief in the necessity for such revolutions if their new system was to survive, quite naturally alarmed us all. But if we are interested in the future of the world more than in the past, we must look beyond the belated, bogey-toting of our Kelloggs and Winstons Churchill, and beyond the lurid, out-of-date pictures drawn for us by visiting Russian lecturers who have not been in Russia for ten years, and must recognize that the Russia of

1927 is not the Russia of 1921. We must recognize that while it is still an uncomfortable member of our family of nations, its revolutionary leaders have become decidedly rational and disillusioned and are from necessity modifying its system and in spite of themselves are modifying their theories to fit a capitalistic world. Stalin has said, "Twenty years from now we can perhaps afford to spend money revolutionizing the world, but let's keep our money at home until we get our economics right." The labor unions who are responsible for the "Internationales" sent money to the British coal strikers, but even the labor unions are much disillusioned. Outside revolutionaries are likely to find them discouragingly "right" in the future.

The Question of Recognition

The time is undoubtedly ripe for such western nations as have no internal politics to protect or empires to defend, to frankly discuss with the Soviet leaders possible workable relations. These men look to the United States especially. One of them said to me, "Yes, we need American capital, but even more, we want American efficiency." They have an enthusiasm which seems to me the enthusiasm of a young race for industrial and economic efficiency. They wish to start their new industrialism with the best. They admire Germany and England but they rate them second in mechanical efficiency and shop management—second to the United States, and they wish to build their new industrialism on the United States model.

As to the "debts," they are quite frank and honest. They impressed me as especially opportunistic. Back in the revolutionary days, they decided to pay none of the debts of the Czar regime, either national or capitalistic—nor the money lent for war-mak-

ing (the bolshevik party always opposed the war). When they "nationalized," they confiscated because they said, it was that or nothing. They never could pay for all the buildings, factories and railroad. But now they are willing to compromise—especially with the United States. It is my opinion that they would meet any conditions if we would negotiate, even going so far as to pay for the States property and loans to a nation inconsistent with their dealings with other nations.

Relations With China

I pried into their relations with China and this is the reaction I heard. The Russian leaders would like to help China to a national strength sufficient to make them a barrier against Japan. Beyond that, they would fear an aroused China, greatly as other nations, because the Chinese are at their doors.

In conclusion I wish to repeat the picture of Soviet Russia in the minds of ninety-nine out of a hundred Americans is five years out of date. Since 1919 most of us have read the news of Russia as a bloody picture of the revolution, our minds and, skimming the terms of those dramatic words, issued from the revolution—Bolshevism, communism, proletarian army, etc. Most of our knowledge of Russia simply isn't so today. It is a country with immense possibilities and a wonderful future. If we do not meet them half way on the journey back to political and social practicality and even recognize their expedition into the impact, may bring back something of value for the development of our civilization, we will be missing a great opportunity.

Farmers Reply to O. C. Parsons' Attack on Conservative Farmers

Calls Strikes and High Wages Futile

By C. V. Hill
(Richmountain, Arkansas)

I, the American farmer, admit that I am stupid, but look me over. The generations which gave me birth are busy keeping the wool pulled over my eyes, yet in spite of all of their splendid organization, they now need the public schools, pupil and the spare time aid of every business man and manufacturer in the entire nation to help them out.

I'll admit that I'm dumb. But don't you think I'm doing pretty well to keep such a lot of people busy keeping me so?

My county agents, fairs, and every so-called farmer organization I have, are each and every one under the control of the very people whose business it is to pick my pockets.

Now Mr. Shovel Stump, do you think you would have much sense if the very last one of your local union officers and speakers were working for your boss instead of you? I opine that if you had as many "friends" to help you as I have, you wouldn't have much sense either.

If you wise labor stiffs would take a tip from our bosses, you would know that it is only we farmers who can bring about a successful revolt in this country. The reasons why they let your organizations alone is because they know that you are harmless. They are watching us because they know they had better.

Now, because of all these reasons, I am so stupid that I still believe that when the overworked and underpaid girl in the shirt factory on toid street in New York, strikes for ten cents more a shirt, that dime comes out of my pocket, either at the cotton gin or at the corner store. Why? Because, don't I know that of all the people that handle that lint from the time it leaves the farm till the shirt is made, I am the only one prepared to shove that dime off on somebody else?

Because my gullibility and stupidity have been advertised in all ages in song and story I know that the other handlers of that lint know that I am their best bet to palm off that dime debt. Furthermore, I know that if I get five cents a pound more for my cotton, that five cents is compounded by the marginal percentage of every handler and the best way to rob me of my share of what I produce is to give me more money for it.

And yet you laborers strike for higher wages knowing that as the distribution of goods is handled on a percentage of their valuation, the higher the prices the larger the take-off for the distributor.

Why should our bosses interfere with your organizations when every strike merely puts a larger proportion of the profits into their pockets?

Editor's Note

What is the answer to this attack on higher wages? Shouldn't the workers protest when they feel themselves being ground down to a lower standard of existence? Shouldn't they resist or struggle, because the price in wages might make the production and distribution of goods a little costlier, or put a little more money in the pockets of middlemen? There is and can be only one answer

to these questions. The farmer and the worker in industry must resist, must struggle, or sink to a lower fate under the present system, but they cannot end their troubles, they cannot stop the pyramiding of costs and marginal charges until they unite and take production and distribution away from private profit groups and put them in the hands of the whole people to be operated at the cost of service for the benefit of all.

Says Nationalize

The Money System

By Tolley Hartwick
(Merced, Montana)

In respect to the article in April 16th issue, by C. O. Parsons. You invite farmers to "reply." Please allow me, a 100 percent dirt farmer, to endorse and congratulate Mr. Parsons for his clear statement.

The forces which are "ponging" up the farmers' production of wealth are not the struggling laborers, nor even the legitimate "industries." At present, it is not the little town merchant, nor the shoe-maker, nor the coal-broker, nor the blacksmith, nor the baker, nor seriously even the little country bank; it is not in themselves—even railroads, the cotton mills, nor even Henry Ford's and Thos. A. Edison's big factories; no, it is the "money" which is "producing" anything of intrinsic value or service, hurts anybody—farmer, laborer or whom.

But, we have on our backs an ever growing occupation, that of amazing wealth solely by scheming with the nation's system of money, operating under our banking and currency laws. It makes it business to manipulate one honest dollar to draw interest or dividends or discounts from ten different sources at the same time; to fasten invisible, numberless tentacles on to business, agriculture, industry, oil fields, foreign affairs and politics,—to pile up and branch out further and further, to sap more and more from every unit of wealth produced by the farmers, laborers, industries et al. They produce nothing, but get control, consume and hoard,—largely at Wall St. That is where the wealth, produced by the farmers and laborers, is being stealthily spirited away.

Take away this power of creating, flating and multiplying our national currency, out of private hands and let the U. S. government alone handle that business. If interest is to be paid for using these billions of "watered stock" money, let it go to the whole government or nation. If instead private hands are to be left to manipulate it, let them pay taxes that will return such baseless unearned profits to the nation by whose energy and laws those profits originate, and to whom they belong; not to an army of scheming millionaires at Wall St.

As matters stand now, tax eaters and interest leeches are draining the life out of all the producers of the whole earth. After carrying this interest burden in a thousand forms, some direct, but mostly indirect, the majority of our own people cannot buy even common necessities. And financiers of the United States alone have over nine billion dollars, largely "paper," invested in the business of bleeding exorbitant interest from poverty stricken foreign nations, so that they cannot buy either, even necessary food and clothing from our farms.

A blanket mortgage is thus being woven on to the producers of the world, enslaving unborn children to other unborn children, even into the next century.

Let us have more from C. O. Parsons.

Editor's Note

What is the answer to this viewpoint? Would all the troubles of the farmers and city workers disappear if the banking and money system were nationalized? While the Appeal thoughtfully believes that the step must be taken and believes it is a very important step, we do not believe that we could stop there. Either the ownership of the banking and money system by the people would have to result in the elimination of private monopolists and profit gougers of all kinds, or else we would have to eliminate them other ways, before we would be free and sovereign owners of the products of our toil. We would not be much better off than we are now if we took over the money system but left the system of production in the hands of private profit takers and monopolists.

Next week other replies from farmers will be published in this space.

Socialism Growing

in Rural Finland

By Adolph Salni

Socialism is growing rapidly throughout Finland and is making particular headway in the rural districts. The growth is so distinct and encouraging that a Socialist victory that will give the Social Democrats a clear majority over all other parties in the next election would not surprise the Socialist leaders.

This is the cheering message delivered to the New York City Finnish Socialists at their recent May Day celebration by Oskari Tokoi, former Socialist premier of the fusion administration in Finland, who is fresh from Finland on a visit to America. The growth of the movement is general and continues despite the desperate methods of the Communists to turn the tide, said Tokoi.

The present Finnish cabinet is composed of Socialists.

Farm Conditions

Bad All Over World

GENEVA, Switzerland.—The problems of farmers, including American farmers, received the attention of the international economic conference to day when President De Michellis of the International Institute of Agriculture declared that in all countries farmers were receiving less for their products than before the war.

M. De Michellis warned the conference that if the farmers "ultimately learn the trick of producing as little as possible at the highest price, it would cause a calamity compared with which the present situation is an El Dorado."

Splendid Gains in

Sweden & Estonia

In the recent municipal election in Stockholm, capital of Sweden, the Social Democrats won 43 seats while the reactionary bloc got 59. The Communists won 9 seats, the Liberals 6 and the Progressives 4. In the second district of Stockholm the Socialist vote rose from 8,923 at the previous election to 16,607 at the election just held.

Provincial elections have just been held in Estonia in which the Socialists raised their representation from 29 to 67 seats.

Wheat Farmers Learn Collectivism At World Meeting

Success of Canadian Co-ops May Form Basis of World Organization

By Leland Olds

The striking success of Canadian wheat pools was the keynote of the 2nd international wheat pool conference at Kansas City. Pres. C. H. Bunnell of the Manitoba wheat pool urged their extension on a world basis to enable farmers to control the grain markets of the world through their cooperative selling organizations.

Pool members, according to Bunnell, do not have to dump grain on the market in the fall to meet expenses. "Speculators therefore cannot take advantage of forced deliveries out of the pool and store systems. Members can receive a payment from the pool when their grain is harvested and are paid in full when the wheat is finally sold.

U. S. Secretary of agriculture W. M. Jardine also held up the Canadian pools as examples to grain producers in other countries. He said: "More than 81,000,000 bushels were handled by the 3 pools during the crop year 1924-25 and approximately 212,000,000 bushels the following year. It is stated that 15,000,000 acres out of the 21,000,000 acres of wheat in western Canada are under contract to the 3 provincial pools. The membership now exceeds 142,000, which is approximately 56 percent of the total number of farmers in the province of Manitoba, Saskatchewan and Alberta."

Jardine called attention to the fact that the Canadian pools have acquired more than 700 country elevators and terminal elevators at Port Arthur, Port William and Buffalo on the great lakes and at Vancouver and Prince Rupert on the Pacific. They maintain export offices at New York, Montreal and Vancouver and sales offices at Toronto, Ontario, and Paris, France, with agency connections in all principal importing countries.

Jardine said there were some 4000 cooperative elevators and 9 statewide wheat marketing associations in the United States but that no single cooperative organization controls as much as 2 percent of the wheat produced in the country. The first step in the problem of grain marketing in this country, he said, must be some central structure to coordinate the cooperative associations now marketed grain.

The importance of this discussion to the American farmer is emphasized by the department of agriculture announcement that farm prices on April 15 reached the lowest level in 6 years. On that date they averaged only 25 percent above the prewar level, compared with 26 percent above prewar in March and 40 percent above prewar on April 15, 1926. The decline has hit every major group of farm products except dairy and poultry products.

Again the wheat farmers came in contact with the idea of a world-wide or international cooperative marketing organization. This idea is growing and becoming more of a reality every year. It offers the farmers an opportunity to control the surplus which under the present system will swamp the farmers if no remedy is found. It is drawing the farmers into that larger collectivism which is absorbing labor and is paving the way toward Socialism.

Combines Grab Distribution, Chain Store Profits Reveal

Editor's Note

The amazing growth of the chain store is here described by Leland Olds of the Federated Press. It is a remarkable development fulfilling the predictions made by Socialist thinkers fully a generation ago. They predicted that production as well as distribution would gradually become organized and centralized into a few hands under capitalism, squeezing out the small business men and finally compelling the people to take over these organized systems and democratize them and operate them for the benefit of all. Anti-Socialists have steadily denied that organization and concentration were going on or would go on in the field of distribution.

—M. E. K.

By Leland Olds

The amazing wealth piled up by the owners by the poorly paid employees of the chain store system is revealed by the 1926 reports of the leading chains. These show millions of dollars of unearned income turned over to investors who had risked only a few hundred dollars in the venture. A group of 6 chains showed a 1926 profit of more than 200 percent and only 1 with a profit of less than 50 percent on the original investment.

Jewel Tea Co. leads the list in rate of return on common stock. Its 1926 profit of \$1,254,052 gave the owners a return of \$8.89 a share on no-par stock carried on the company's books at \$1 a share. This return of 889 percent in 1926 followed one of 514 percent in 1925—a total of 1403 percent in 2 years.

The S. S. Kresge Co., with a profit of \$12,504,442 gave the owners of common stock a return of \$13.36 on each \$10 share. But this doesn't begin to show what owners who have stuck with the company from the start are making on their investment. According to The Wall Street Journal a man who bought 100 shares at \$45 a share 15 years ago and exercised his right to buy 200 additional shares at par in 1917 would have made a total investment of \$6500. The journal continues: "Through stock dividends and splits, these purchases have now grown to 11,700 shares, which at a current market quotation of \$50 a share represent \$585,000."

In other words an investor in Kresge has seen the value of his holdings increase 90 times over in 10 years without being called upon to put another cent into the business. His share in 1926 profits amounts to more than \$30,000 on an original investment of \$6500, giving him a return of about 587 percent.

The J. C. Penney Co., operating 773 stores in the south and west, reports a 1926 profit of \$8,269,581 on common stock carried on the books at \$8,586,310. This is a return of about 96.4 percent. But according to the Chicago Journal of Commerce the entire capitalization has grown from \$500 to \$50,000,000.

"The \$500 which J. C. Penney invested in the original store on April 14, 1902, has grown to an invested capital of \$30,000,000 in the last 25 years. Each Penney dollar has multiplied itself 60,000 times. Only once during the 25 years has outside capital been utilized and this was in 1919 when a preferred stock issue was forced to the public. This preferred stock issue has since been retired and the present structure is a direct growth of the original investment," J. C.

The reader can reckon out what sort of return the \$8,269,581 profit means on an original investment of \$500.

Woolworth with a 1926 profit of \$28,204,528 leads the list in size but shows a modest return of only 56.4 percent on the \$50,000,000 shown to have been invested by 1912. It is impossible to go farther back to see how much was really invested by the owners. A man who put up \$100 for a share in 1912 has seen his holdings

increased to 5.2 shares through stock dividends and splits-ups. His share has a market value of \$190 apiece or a total value of \$980. In addition he has received \$154.80 in cash dividends giving him a combined 14-year return of about 1043 percent.

The American Stores Co., with a 1926 profit of \$7,357,875 gave the owners a return of about 265 percent if allowance is made for the 709 percent stock dividend declared in 1925.

Pinching the Tradesman and Farmer

(From The Independent)

Four per cent of those gainfully employed in America work for the large corporations in the country. More and more men are coming to work for themselves and going on the pay rolls of others. Small shopkeeping and farming are now about the only socially important occupations in which men not specially educated—this eliminates the learned professions—continue to exist as individual enterprises. Economically, both farmers and shopkeepers are unhappy today, the farmers complaining of low prices, and the small shopkeepers of pressure from chain stores and other large-scale endeavors in the distribution of goods.

The discontent roused in the breasts of merchants by Henry Ford's experiments in vending groceries and drugs to the Detroit public was allayed by the manufacturer's promise to abandon his retail activities. That date, Mr. Ford has simply demonstrated anew that every successful chain store enterprise has demonstrated in the past—that there are wastes in the ordinary retail channels which can be eliminated by large-scale efficiency. In reply the small merchant retorts that he offers his customers not only goods but services as well, which services the public would miss sorely. Among these are the carrying of time accounts, delivery of goods, and the maintaining of a neighborhood depot close at hand in domestic emergencies.

However useful these services are, they must demonstrate their salability in order to let the small merchant survive in the evolution toward larger business units. The complexity of land makes it practically impossible for the small farmer to be rooted out by competition, but he is nevertheless under stress and undergoing pressure caused by overproduction. It is possible that the American agriculture of the future will be dominated by great cooperatives which will demand far higher standards of efficiency from their members than those in vogue today. Such organizations will exert over individual farmers a control at present almost wholly lacking. Individuality in trade and toil is passing, as part of the general socializing process.

100,000 Copies of

Berger Speech Used

WASHINGTON—Close to 100,000 copies of Victor L. Berger's attack on the administration's policies in Nicaragua and Mexico, and on the general policy of imperialism upon which President Coolidge has embarked, have been distributed in various parts of the country. It was announced at Representative Berger's office here today.

With requests continuing to pour in from practically every state, ranging in size from 100 copies to 5,000 copies, a circulation of a quarter of a million copies may be achieved. This does not include the circulation of some of the other speeches delivered by Representative Berger during the last Congress, such as one on "The Old Social Question—Still New" and "Some Socialist Bills Explained."

The activity generated in Socialist party circles by the opportunity afforded to mail congressional speeches on timely topics to voters in the territory in which they work, and the numerous letters of commendation received from recipients of the speeches, have been most encouraging, it was stated.

It is expected that a reprint of the speech on imperialism, which will be the third reprint made since the circulation of the speech was undertaken by Socialist party branches, will be made within the next few days.

Single copies of any one of the following speeches may be obtained by addressing a request to Representative Victor L. Berger, Washington.

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The demand of American capitalists in Mexico is reasonable. If you look at it that way all they want is the country, and the Mexicans can take the air.